


February 22, 1988

To: File

From: Frank Filas, Engineer 

Re: Rio Algom Mine and Mill, M/037/001 *Finerfrock*

On February 12, 1988, Ken May and I met with Merv Lawton and Bob Pattison of Rio Algom; Harry Pettengill and Howard Rose of the Nuclear Regulatory Commission (NRC); and Dane V. of the state Bureau of Radiation Control. The primary purpose of this meeting was to discuss the posting of an adequate reclamation surety by Rio Algom with the NRC. Rio Algom currently has an escrow account on the mill with the Division. This account now totals about \$830,000 which represents only a portion of the projected reclamation cost.

Rio Algom estimated final reclamation to cost \$1.5 million. The NRC maintained that anything less than \$3 million would probably be inadequate. The mill reclamation plan has not yet been approved by the NRC, and consequently, both cost estimates are based on a lot of general assumptions. Rio Algom agreed to discuss the \$3 million dollar bond request with their corporate managers.

It was agreed that the posting of the bond with the NRC and the release of the Division escrow account would eventually be accomplished in one of the following two manners:

- (1) Rio Algom will post an acceptable surety with the NRC. Once this surety is in place, both Rio Algom and the NRC will notify the Division requesting release of the escrowed monies.
- (2) Rio Algom will make arrangements to secure a surety and will then notify the Division and the NRC that these arrangements have been made. The Division will then release the escrow account so that it can be used to help finance the surety to be posted with the NRC. This new surety would have to be in place within 30 days of the release of the escrow amount.

We also discussed the state's continuing role in the permitting of Rio Algom's mine and mill. A brief summary of this discussion is provided on the next page.

### Mine Reclamation

Mine reclamation will take place according to the Division's requirements and the shaft closure plan approved in 1980. Harry Pettengill of the NRC agreed to the separation of the mine and mill jurisdiction which is outlined in Rio Algom's annual report and map dated January 14, 1988. Harry suggested that some of the less contaminated mill structure could be disposed of down the mine shaft. Rio Algom felt that this might result in an undesirable future liability with the shaft and possible ground water contamination and stated flatly that all of the mill structure would be buried in the tailings area.

The mine area on the annual report map encompasses less than five acres and it was agreed that the mine will be allowed to refile as a small mine when the new regulations are in place.

### Mill Reclamation

The mill reclamation plan will be reviewed and approved by the NRC. Once an adequate surety is posted with the NRC, the Division's role will be reduced to an oversight basis. In this oversight capacity, the Division will first contact the NRC (rather than Rio Algom) with any questions or concerns which may arise in the future regarding the mill.

cc: K. May  
L. Braxton  
H. Shepherd

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